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Child Poverty and Poverty Measures in Connecticut

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New Child Poverty Data Released

The US Census Bureau recently reported new data about poverty in Connecticut. The annual report on poverty, based on the March Current Population Survey (CPS), was released September 26, 2003.[1] Although the report itself does not provide state specific child poverty information, a special analysis of the data by the Economic Policy Institute shows 11.0% of children in Connecticut living below the poverty level in 2002.

Child Poverty Rate, 2001-02
March Current Population Survey (CPS)
(US = 16.5%)

Lowest 6 States		Highest 6 States	
State	Child Poverty Rate	State	Child Poverty Rate
New Hampshire	7.0%	Texas	21.5%
Maryland	7.5%	West Virginia	23.7%
Minnesota	8.0%	Mississippi	24.3%
Iowa	9.1%	Louisiana	24.7%
New Jersey	9.4%	New Mexico	24.9%
Connecticut	10.2%	Arkansas	29.7%

Experts caution, however, that CPS child poverty rates should be averaged over 2 or 3 years, especially in smaller states like Connecticut where the estimates are based on small sample sizes. The two year averaged child poverty rate for 2001-2002 is 10.2%, up slightly from 10.0% in 1999-2000.

Connecticut's child poverty rate compares favorably with other states, at sixth lowest in the United States, where the overall child poverty rate for 2001-2002 was 16.5%. The state with the lowest child poverty rate was New Hampshire, at 7.0%, while the state with the highest rate was Arkansas, where the child poverty rate was 29.7%.

The CPS does not provide child poverty data at the town level. The lack of town level data masks the concentration of poverty in some of Connecticut's communities.

Child poverty rates for towns are available only from the 2000 Census. Although Connecticut's overall child poverty rate in the 2000 Census was 10.4%, rates varied dramatically among towns. Hartford's child poverty rate of 41% ranked it second only to Brownsville, Texas for the highest child poverty rate in cities with populations exceeding 100,000. Many of Connecticut's other large towns also had high child poverty rates: 32.2% in New Haven; 24.9% in New Britain; and 24.8% in Bridgeport. However, two other large towns, Norwalk and Stamford, had child poverty rates below the state average, at 9.6% and 8.7% respectively. High poverty rates exist not only in large towns, but in smaller towns as well: such as Windham (23.9%) , Meriden (17.3%) and Putnam (15.1%). At the other extreme, there were 38 towns in Connecticut with child poverty rates below 2%.[2]

Different Census Sources of Child Poverty Rates Are Not Comparable

In early September, another estimate of child poverty was released by the Census Bureau. The American Community Survey (ACS) reported child poverty in Connecticut at 10.2%.

On October 28, the Census Bureau reported a fourth estimate of child poverty in Connecticut. This estimate, 10.1%, is for the year 2000 and is from the Small Area Income and Poverty Estimate (SAIPE).

1. *Poverty In the United States, 2002*, (US Census Bureau, 2003). http://www.census.gov/prod/2003pubs/p60-222.pdf.
2. *Child and Family Poverty in Connecticut: 1990 and 2000*, (Canny, et al, Connecticut Voices for Children, August 2002). http://info.med.yale.edu/chldstdy/CTvoices/kidslink/kidslink2/reports/PDFs/ChildPovertyReport.PDF

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Census Bureau Child Poverty Estimates

Census Product	Year	Child Poverty Estimate
Decennial Census	**2000**	**10.4%**
Current Population Survey (CPS—March Supplement)	**2001-2002**	**10.2%**
American Community Survey (ACS)	**2002**	**10.2%**
Small Area Income and Poverty Estimates (SAIPE)	**2000**	**10.1%**

Although these four estimates for 2000-2002 are relatively close, at other times they are not as close, and thus it is important to understand the reasons why.

The 2000 Census, the CPS, the ACS and the SAIPE provide different estimates of child poverty because they differ in their methodologies. These differences include sample size, length and detail of questionnaire, and methodologies used to collect and process the data. These differences prevent meaningful comparisons among the estimates. Trends in child poverty should only be determined by comparing data from successive estimates of the same survey (and then, for both the CPS and the ACS, subject to requirements of pooling data in two or three year increments to obtain sufficiently large sample sizes).

Methodological Details

The Decennial Census is the most complete source of information about child poverty. Child poverty estimates are based on a sample of 1 in 6 households (or about 200,000 households in Connecticut). This is the only survey that provides estimates for towns, as well as Census Tracts and Census Blocks. However, it is conducted only every 10 years.

The March CPS (Current Population Survey) is conducted annually, but in 2003 was based on only 1,360 households in Connecticut. Because of the small sample size, only state level data are available from the March CPS for CT.

The ACS is not yet conducted on a regular basis. It was conducted in Connecticut from November 2001 through December 2002. About 4,000 households in four Connecticut counties (Fairfield, Hartford, New Haven and New London) were interviewed for the ACS.

In Connecticut, ACS data were released at the state and county level, for each congressional district, and for major urban areas. It is hoped, pending Congressional approval, that the ACS will eventually replace the decennial census poverty data and provide more current poverty estimates on an ongoing basis.

The SAIPE is the most rigorous estimate of child poverty, after the Decennial Census. It is derived from a model that combines March CPS data and a variety of administrative data. It provides estimates of child poverty at state, county and school district levels. Because this modeling process is time intensive, the most recent data available are typically older than for either the CPS or ACS estimates.

The Inadequacy of the Federal Poverty Thresholds[1]

It is widely accepted that the federal poverty measures on which we rely to report the prevalence of poverty are outdated and underestimate the amount of income necessary for a family to meet its essential needs. Originally developed in the early 1960s, the federal poverty thresholds are based on assumptions about family expenses that are no longer valid. Not only do the federal poverty thresholds fail to reflect regional differences in costs of living, they also omit certain costs that now typically require large portions of working families' incomes, such as costs for child care.

A number of methods have been utilized to compensate for the acknowledged inadequacies of the federal poverty thresholds. Eligibility for free and reduced price meals, and for Connecticut's HUSKY A program

Census Bureau Poverty Measures 2002

The Census Bureau definition of poverty varies depending on family size and composition.

Family Size	Poverty Threshold	Poverty Guideline
Two Parent Family of Four	$18,244	$18,100
One Parent Family of Three	$14,494	$15,020

1. Poverty Thresholds vs. Poverty Guidelines: *Poverty thresholds* are the statistical version of the poverty measure and are issued by the Census Bureau. They are used for calculating the number of persons in poverty in the United States or in states and regions, and take into account family type and age. *Poverty guidelines* are the administrative version of the poverty measure and are issued by the Department of Health and Human Services (HHS). They are a simplification of the poverty thresholds and are used in determining financial eligibility for certain federal programs. They use family size only.

CT Self-Sufficiency Standard for Single Parent Family with One Infant and One School-Aged Child (2002$) [1]		
Region	Average annual income needed for economic self-sufficiency	Federal Poverty Threshold
Hartford	$37,123	$14,494
Middletown	$37,682	$14,494
Northeast	$38,362	$14,494
Bristol	$38,588	$14,494
Waterbury	$38,988	$14,494
New Haven	$39,281	$14,494
Southeast Region	$39,760	$14,494
Torrington	$39,787	$14,494
Danbury	$42,398	$14,494
Old Saybrook	$42,717	$14,494
Bridgeport	$45,128	$14,494
Stamford-Norwalk	$52,254	$14,494

is set at 185% of the federal poverty guidelines ($33,485 for a family of four; $27,787 for a family of three). The Annie E. Casey Foundation has used 150% of the federal poverty guideline as a measure of poverty in calculating the number of children living in 'working poor' families.

Connecticut and many other states have calculated "self-sufficiency standards," sensitive to cost of living differences within the state to provide a more accurate picture of the needs of families throughout Connecticut (see chart above).

In Connecticut, the self-sufficiency standard calculates self-sufficiency costs for 70 different family types, based on geographically tailored costs for housing, child care, food, transportation, health care, taxes and miscellaneous expenses.

A comparison of the federal poverty threshold and the self-sufficiency standard for most families in Connecticut highlights the inadequacy of federal poverty thresholds as measures of a family's ability to get by in Connecticut. Recognizing that the standard varies widely across Connecticut, it is difficult to precisely calculate the number of children living below it. We do know that approximately one in four children live in families with incomes below 200% of the federal poverty threshold, a rough statewide average of the Connecticut standard.

Why Child Poverty Matters, and What Can be Done About It

Child poverty not only hurts the children living in poverty, but it also exacts a number of costs on our communities and our economy.

Poverty, the most extreme form of family economic insecurity, is perhaps the single most detrimental influence on a child's development. Poverty, independent of such factors as family structure and parents' education level, has particularly severe and long-term effects on children's cognitive abilities and school achievement. Recent research shows that poverty limits children's chances to achieve economic self-sufficiency as adults. It also shows that deep poverty has the most severe consequences for young children, a troubling fact since young children are more likely than older children to live in poverty.[2] Given these adverse effects, helping families become more financially secure deserves to be a top policy priority in Connecticut.

Although it is not a simple matter, there are some proven methods for addressing poverty. Family support initiatives, such as subsidies for early care and education, housing and health care, and the implementation of a state level earned income tax credit (as each of our neighboring states has) would go a long way towards reducing child poverty. Education and training policies emphasizing and supporting the importance of lifelong learning also pay dividends in reduced child poverty.

[There is] a fundamental link between poverty and a range of negative outcomes — illness, academic failure, early pregnancy….The best way to reduce negative outcomes is to strengthen our most vulnerable families and, in particular, to increase their ability to provide some real economic security for their kids.
(KidsCount Data Book, 2003)

1. The Self-Sufficiency Standard for CT: http://www.sixstrategies.org/files/Resource-StandardReport-CT.pdf
2. "Economic Security", *Connecticut Voices for Children Special Report,* CT Voices For Children, March, 1998. http://info.med.yale.edu/chldstdy/CTvoices/kidslink/kidslink2/reports/publications.html.

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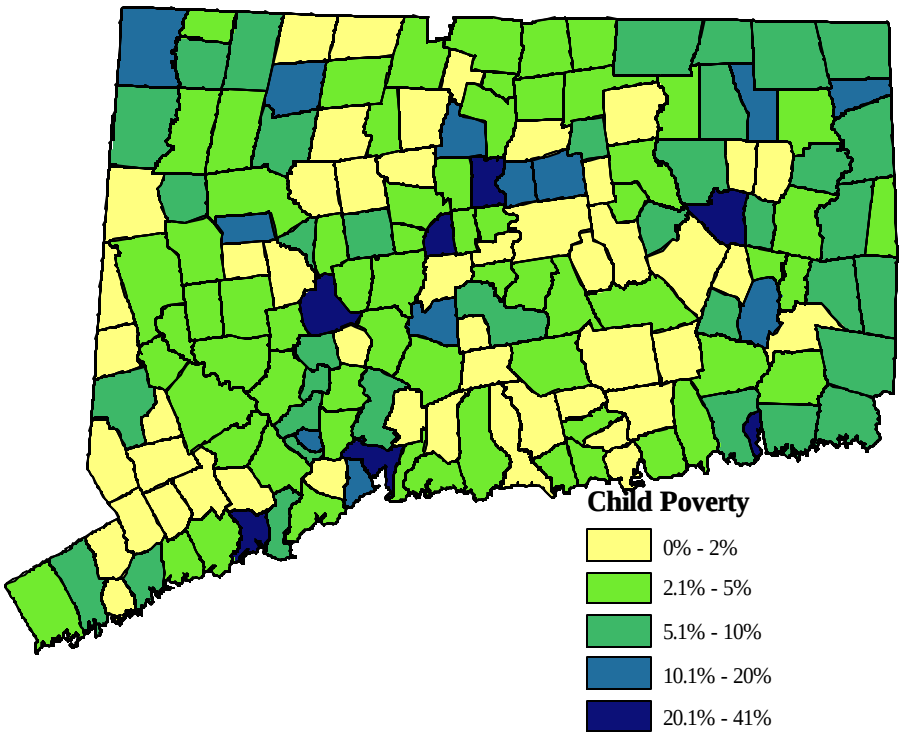
Child Poverty, Census 2000



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